

SCANSOFT, INC.

V.

Defendants.

Civil Action No. 04-10353 PBS

I, William Francis Ganong, III, on oath, depose and say as follows:

2. Prior to my current employment with ScanSoft, I was employed by Lernout & Hauspie Speech Products, N.V. ("L&H"), from 1982 to 2001. As Vice President, Research & Development at L&H, my primary responsibilities included research and development of L&H's speech recognition technology, including direct involvement in the development of confidential, proprietary and trade secret information now owned by ScanSoft and which ScanSoft claims Mr. Grabherr has misappropriated.

3. The time period of my employment at L&H overlapped Mr. Grabherr's employment at L&H, and Mr. Grabherr and I were both heavily involved in speech recognition

research and development. As a result, Mr. Grabherr and I worked together on a number of L&H speech recognition projects, and I was aware of Mr. Grabherr's research activities at the company.

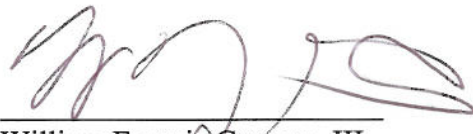
4. While employed at L&H, Mr. Grabherr worked on the L&H Voice Xpress speech recognition and dictation product. Mr. Grabherr's work on this product included research and development of trade secrets found in the Voice Xpress product involving the speech recognition architecture of that product, including the specific structural details of the product such as acoustic matching and word matching. Mr. Grabherr's work on Voice Xpress also involved the research and development of specific proprietary algorithms for recognizing commands, including algorithms used in the Voice Xpress product, as well as their organization and interaction.

5. Mr. Grabherr's work on the Voice Xpress product led to his involvement with an L&H research and development program regarding small platform optimization of speech recognition, dubbed the "Phoenix" project. Using many of the trade secrets developed during the course of his work on Voice Xpress, Mr. Grabherr directed the "Phoenix" project and was tasked with shrinking the Voice Xpress speech recognition engine to create speech recognition software for small platforms and to develop algorithms aimed at enabling large vocabulary speech recognition on hand-held PDAs and cell phones.

6. Some of the trade secrets that Mr. Grabherr had access to at L&H, including the speech recognition architecture and algorithms for recognizing commands implemented in the Voice Xpress product and further utilized in the "Phoenix" project, are today incorporated in ScanSoft's Dragon Naturally Speaking product.

7. In addition to their incorporation in the Dragon Naturally Speaking product, the trade secrets Mr. Grabherr had access to at L&H are utilized by ScanSoft in ScanSoft's ongoing research and development efforts and are safeguarded by ScanSoft as confidential, proprietary and trade secret.

Signed under the pains and penalties of perjury this 16th day of May, 2005.


William Francis Ganong, III

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